

M e m o r a n d u m

To: Panel Members Date: June 22, 2007

From: Dolores Kendrick, Manager Analyst: M. Tolentino

Subject: One-Step Agreement for **PROFESSIONAL COLLEGE INSTITUTE DBA PCI COLLEGE**

CONTRACTOR:

- Multiple Employer: Training Agency
- Training Project Profile: Job Creation: Training Of Unemployed Workers
- Legislative Priorities: Displaced/Potentially Displaced Workers Including CalWORKS Recipients
- Type of Industry: Various Industries
- Repeat Contractor: Yes
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: The project may eventually serve both union and non-union employers

CONTRACT:

- Program Costs: \$126,480
- Substantial Contribution: \$0
- Multiple Employer Support (8%) \$8,088
- Total ETP Funding: \$134,568
- Total In-kind Contribution: \$0
 - *Trainee Wages Paid During Training:* \$0
 - *Other Contributions:* \$0
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Los Angeles, Orange
- Location of Training: 100% Center Based; 0% Employer Site

INTRODUCTION:

This will be the 3rd project between Professional College Institute dba PCI College (PCI) and ETP. PCI qualifies as a training agency for purposes of ETP Multiple Employer Contract (MEC) under California Unemployment Insurance Code 10205.

PCI is requesting ETP funds to conduct a new hire training program for unemployed workers who are either collecting unemployment insurance or who have exhausted a claim within the past 24 months; and for unemployed CalWORKS recipients who are either eligible for or receiving CalWORKS benefits at the start of training, or have been receiving benefits within a year of the start of training. Individuals will be trained and placed into various administrative jobs in the service industries such as healthcare.

MEETING ETP GOALS AND OBJECTIVES:

PCI proposes training that will further the following ETP goals and objectives:

- 1) Train and place displaced workers.
- 2) Support training for CalWORKS recipients or recent exhaustees.

TRAINING PLAN TABLE:

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Job Number 1 New Hire	Menu: Business Skills, Computer Skills	24	240	0	\$4,341	*\$11.26 - \$20.00
Job Number 2 Welfare to Work	Menu: Commercial Skills	6	280	0	\$5,064	\$9.00 - \$15.00
Wages After 90-Day Retention						
<u>Occupation</u>						
Office Manager						
Accounting Technician						
Bookkeeper						
Medical Assistant						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u>					<u>Turnover Rate</u>	<u>% Of Mgrs & Supervisors To Be Trained:</u>
*Health benefits may vary by participating employer and may be added to the trainee's wage in Job Number 1 to meet the ETP minimum hourly wage of \$11.26 for Los Angeles and Orange Counties.					20%	N/A
<u>Other Employee Benefits:</u>						
Other employee benefits vary by participating employer.						

COMMENTS / ISSUES:

➤ **Frontline Workers**

All participants in this project meet the Panel definition of frontline workers under Title 22, California Code of Regulations (CCR), Section 4400(ee).

➤ **Production During Training**

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

COMMENTS / ISSUES: (continued)

➤ ***High Cost of Training***

Title 22, CCR, Section 4406(a) states: "The cost-per-trainee for new hire training shall not exceed the average cost-per-trainee paid during the prior Fiscal Year for all completed new hire training projects. The Panel may waive this cap on a case-by-case basis if post-retention earnings are set at an amount that is proportionately higher than the ETP new-hire minimum earnings in effect at the time of Panel approval." The ETP Annual Report 2004-05 shows that the average new hire cost per trainee is \$4,740.

Per ETP's Guidelines on Welfare to Work Pilot Program, "The standard cap on new-hire trainee costs (\$4,740) may be exceeded for good cause." PCI representatives are requesting a cost per trainee for Job Number 2 trainees at \$5,064. These are Welfare to Work trainees who will receive 280 hours of class/lab training, of which 260 hours is for vocational skills training and 20 hours is for job-seeking skills training. PCI representatives state that these trainees have not been employed for a long period and need to strengthen their written/oral communication skills. PCI is requesting ETP assistance to provide these trainees interviewing and job search skills and give them the opportunity to find and obtain suitable gainful employment.

RECOMMENDATION:

Staff recommends the Panel approve this Agreement which will provide unemployed individuals, including CalWORKS recipients training in specific, job-related skills and placement in secure, full-time jobs.

NARRATIVE:

Founded by Ray Khan in 1996 as a computer and networking technology training center, PCI now offers courses in office management, medical assisting, computer system technology, dental assisting, medical billing, ultrasound and vascular technician training, and sonography. PCI campuses are located in Cerritos (main campus) and Gardena (satellite). PCI accepts private students and students referred through employers and the Workforce Investment Act (WIA) system in Southern California. PCI is approved by the Bureau of Private Postsecondary and Vocational Education to deliver the courses outlined on this application.

PCI representatives are requesting ETP funding to train unemployed individuals in skills that will provide them the opportunity to obtain gainful employment. Job Number 1/New Hire trainees who will receive PCI's Office Manager Program will learn skills to work independently in an office environment to manage a small business. **Business Skills** training will enable trainees to learn how to use bookkeeping software, track customers, vendors and inventory, and generate reports. **Computer Skills** training will provide trainees with the knowledge and skills to automate accounting, use databases, manage electronic documents, and make the most effective use of computers in an office setting.

NARRATIVE: (continued)

Job Number 2/Welfare-to-Work trainees receiving the Medical Assistant Program will be trained in **Commercial Skills** to learn the role of the medical assistant, medical office procedures, front office procedures, examination procedures, laboratory procedures, medical terminology, and minor surgical procedures.

Employer Demand

PCI representatives state that its staff have conducted surveys with employers in the area surrounding the College to determine the need for office managers, accounting technicians, bookkeepers and medical assistants and to obtain employer commitments to hire trainees. PCI representatives indicate that the proposed ETP Curriculum was developed by industry training professionals employed by the College. The Office Management curriculum is based on surveys and interviews with small employers to define the skills needed to operate all phases of a small office, including accounting, document, and data management. The Medical Assisting curriculum is based on similar surveys of medical offices. PCI staff also conducted assessments of the placement experience of its previous graduates, interviewed employers who hired graduates to insure that the curriculum continues to meet their needs and reviewed the labor market data prepared by the state and local officials.

According to PCI representatives, the College has maintained an informal relationship with a group of employers since its founding. The group consists of employers who have hired one or more graduates of the College. The employers have been polled informally by College personnel to determine satisfaction with the skills of graduates and to seek input on curriculum and programs for future training. Upon approval of the proposed ETP Training Program, PCI will formalize its relationship with these advisory group employers and convene them for quarterly discussions of PCI's training programs. Employers hiring both medical assistants and office managers will be included in the group.

PCI representatives state that trainees will be recruited through One-Stops and Workforce Investments Boards in Los Angeles County. PCI has long-standing relationships with the One-Stop system which already refers individuals to the College for training. PCI will also work with the Los Angeles County Welfare Department to identify participants for the welfare-to-work portion of this project.

SUBCONTRACTORS:

None.

THIRD PARTY SERVICES:

Steve Duscha assisted PCI in developing this proposal for a flat fee in the amount of \$10,000.

PRIOR PROJECTS:

The following are completed project statistics for ETP Agreements with this Contractor within the last five years:

PRIOR PROJECTS						
Agreement Number	Location (City)	Term	Contract Amount	Amount Earned	<i>Planned In-kind Contribution</i>	<i>Reported In-kind Contribution</i>
*ET02-0138	Cerritos	10/8/01 – 10/7/03	\$153,210	\$25,535 (17%)	N/A	N/A
ET00-0248	Cerritos	3/6/00 – 3/5/02	\$255,350	\$188,959 (74%)	N/A	N/A

*ET02-0138 This Agreement was approved to train 30 new hire trainees to be computer technicians, setting up and maintaining computers, servers and networks. The applicant's representatives state that when this ETP Training Program began, the "dot com" bubble was bursting and jobs were being eliminated throughout Southern California. Employers who had hired PCI College graduates in the past and were expected to hire graduates from the ETP program were no longer hiring. The College cancelled classes and had difficulty placing those who were trained.

PCI representatives state that the proposed training program is different because PCI has selected programs with current demand in health care and office management based on the labor market data from state and local officials.

PCI College
Menu Curriculum

Class Lab Hours

240 (Job 1)

280 (Job 2)

Trainees will receive any of the following:

Job Number 1 New Hire:

BUSINESS SKILLS

- Accounting
- Payroll Systems
- Managing Projects
- Managing Customer Accounts
- Analyzing and Using Data
- Career Development

COMPUTER SKILLS

- Accounting Software
- Database Software
- Managing Computer Systems
- Managing Documents
- Using Applications
- Spreadsheets
- Making Presentations
- Setting Up and Managing E-mail

Job Number 2 Welfare-to-Work:

COMMERCIAL SKILLS

- Role of the Medical Assistant
- Medical Office Procedures
- Exam Procedures
- Minor Surgical Procedures
- Lab Procedures
- Basic Life Support
- Basic Anatomy
- Medical Terminology
- Interviewing Skills and Job Search